

74-07

MEMORANDUM FOR: Director of Central Intelligence
SUBJECT: Conference with Dr. Kissinger re the KIQs
REFERENCES: Attached letters (Tab A) from:
Dr. Kissinger, April 22, 1974
Deputy Secretary Clements, April 20, 1974
Deputy Secretary Rush, April 4, 1974
Deputy Secretary Volcker, April 1, 1974

1. In response to your letter of March 9 requesting the "individual concurrence and comments" of each NSCIC member on the KIQs, replies have been received from the four listed above. Admiral Moorer has not yet responded.

a. Dr. Kissinger calls the KIQs a "promising beginning" which should form the basis for "an even more useful set of KIQs for the coming year." He requested you review with him the comments of the other members.

b. Secretary Rush made no substantive comments. He concurred in the list, and indicated INR would continue to coordinate State's contribution.

c. Secretary Volcker also had no substantive comments. He believes the list represents a "good first effort."

d. Secretary Clements is the only respondent to forward substantive comments. Although he said "I support the KIQ process and evaluation system in principle," he had two criticisms:

(1) The KIQs "lack the precision needed for effective resource allocation and performance evaluation."

(2) Some "questions of importance" to DOD, which had been proposed by DOD as KIQs in December 1973 "were not included or were subsumed in more general phrasing."

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2. Secretary Clements also posed "cautionary notes" for the future as follows:

- (1) To serve as an effective management tool, the KIQs should be severely limited in number.
- (2) The KIQs should provide a timely input at key points in the annual DOD budget review process.
- (3) Despite existence of the KIQs, the DOD must "retain the flexibility to assign resources as essential departmental requirements develop."
- (4) Provision should be made to include an "effective procedure for measuring consumer satisfaction."

3. In your discussion of the KIQs with Dr. Kissinger, it is recommended that you:

- a. Express appreciation for the NSCIC responses to your March 9 letter, but especially for the thoughtful submissions which were received in late 1973 as contributions from the NSC staff, Secretary Rush, Secretary Clements and Admiral Moorer during the development of the KIQs.
- b. Emphasize that you share Secretary Clements' desire to limit the number of KIQs in the listing, which is why the present list includes fewer than half of the questions which NSCIC members proposed for inclusion. (This is why the omissions cited by Secretary Clements came about.)
- c. Point out that the KIQ evaluation process now underway represents a "shakedown cruise" for the system and that you anticipate considerable improvement in the KIQ list for FY 1975. Attention is being given to measurement of consumer satisfaction.
- d. Explain that the baseline reports on the 12 KIQs selected for the initial evaluation test are nearing completion, and preparations for the evaluation itself are well underway. The pilot run on the FY 1974 KIQs will end 1 September, and it is planned the performance report will be available 30 October. Formulation of FY 1975 KIQs is expected to be accomplished by 1 July.

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Daniel O. Graham
Lieutenant General, USA
D/DCI/IC

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THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

NIO # 819-74

20 APR 1974

The Honorable William E. Colby
Director of Central Intelligence
Washington, D. C. 20505

Dear Bill:

(U) In your letter of March 9th, you requested concurrence and comments of the members of NSCIC on the Key Intelligence Questions (KIQs). I share your objective of developing a good management tool (1) for the allocation of intelligence resources against high priority questions and (2) for measuring the effectiveness of the intelligence community. Although I support the KIQ process and evaluation system in principal, I believe that the specific KIQs for FY 1974 submitted to the NSCIC lack the precision needed for effective resource allocation and performance evaluation. As we proceed in the next few months to define the KIQs for FY 1975, I think we should make the questions as specific as possible for both guidance and evaluation purposes.

(S) In preparing the intelligence questions I forwarded to you in December 1973 we endeavored to be as specific as possible and to limit them to issues where a really good report would demonstrably influence policies or decisions of the Department of Defense. In the list of key intelligence questions which you have circulated for approval by the NSCIC, some questions of importance to the Department of Defense were not included or were subsumed within more general phrasing. For example, specific emphasis on Soviet perceptions of U. S. objectives in NATO, the Middle East, and SALT was broadened to a question on Soviet conceptions of U.S. objectives in detente. The specific question of the Soviet estimate of the CEP of their ICBMs relates to our ability to estimate the intended uses of their strategic offensive forces and this question was not included in the KIQ list although it was indirectly included by reference to hard target capability. In the general purpose forces area, two noteworthy changes were: (1) the deletion of specific questions about anti-ship cruise missiles, and (2) the rephrasing of a question about whether the Soviets are storing nuclear weapons in Eastern Europe, and, if so, in what quantities and

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where, to a question of whether storage depots in that area are available. (We know that storage depots are available, we need to know what is in them.)

(U) Finally, it seems to me that three cautionary notes should be sounded to insure the usefulness of the KIQ process for future resource allocation in DoD. First, to be an effective management tool, the number of questions should be severely limited. Second, in order for the DoD budgetary process to support agreed on high priority intelligence questions, we should endeavor to see that these questions provide a timely input at key points in the Annual DoD Budget Review. Third, Defense Department intelligence resources, of course, serve important departmental needs and missions which may not be reflected in a restricted list of KIQs and we, of course, must retain the flexibility to reallocate resources as essential departmental requirements develop. For example we keep current a set of critical near term defense intelligence objectives to meet internal defense requirements. Therefore, the KIQ process should not be regarded as a comprehensive basis for recommending resource allocations. We do not feel that these practical considerations are serious problems in the process you are developing and I know you have them in mind.

(U) We support your efforts in this direction and will be pleased to continue to work with you in the development of a meaningful Key Intelligence Questions process. This process should include an effective procedure for measuring consumer satisfaction. This would be beneficial to institute as soon as possible.

Sincerely,



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Office of the Director
of Central Intelligence

24 April 1974

TO: All NIOs

Attached is a 20 April letter to the DCI from Deputy Defense Secretary Clements on the KIQs, which was sent to the IC Staff for action though it probably should have come to us. I think all of you will find it informative. It raises some questions we will want to address when we focus collectively on the entire KIQ question, something we should do at one of our meetings in the near future.



George A. Carver, Jr.
D/DCI/NIO

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